

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR CERTIFICATES OF PUBLIC)	
CONVENIENCE AND NECESSITY AND)	CASE NO.
APPROVAL OF ITS 2016 COMPLIANCE PLAN)	2016-00026
FOR RECOVERY BY ENVIRONMENTAL)	
SURCHARGE)	

COMMISSION STAFF'S REQUEST FOR INFORMATION TO
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Kentucky Industrial Utility Customers, Inc. ("KIUC"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due on or before June 1, 2016. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KIUC shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KIUC fails or

refuses to furnish all or part of the requested information, KIUC shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a document containing personal information, KIUC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Lane Kollen (“Kollen Testimony”), page 5, lines 1–5, which state, “I recommend that the Commission reject KU’s [Kentucky Utilities Company’s] request for approval of Project 39 included in its 2016 Compliance Plan and, if it is approved, reject recovery of the costs of this project through the ERC [environmental surcharge recovery] over a four-year amortization period. KU Project 39 involves surface impoundment closures at Green River, Pineville, and the Tyrone, all of which are retired and no longer operating.”

a. Explain whether coal-fired power plants that are being shuttered, regardless of reason, under current environmental compliance regulations would, or would not, be allowed surface impoundment closure costs to be recovered through the ECR; explain also how would those plants’ surface impoundment closure costs and recovery differ from those of the Green River, Pineville, and Tyrone plants.

b. Explain in detail why you recommend that the Commission reject the four-year amortization period proposed by KU.

c. Explain the rationale for and consequences of utilizing a ten-year amortization period, which you recommend, versus the four-year amortization period proposed by KU.

2. Refer to the Kollen Testimony, page 10, lines 11–14, which state, “Although Mr. Spanos did not provide the depreciation rates resulting from the KU proposal, instead showing only the annual depreciation expenses, the proposed depreciation rates for Tyrone, Green River, and Pineville are 569.24 percent, 775.57 percent, and 2,193.86 percent, respectively.” Provide the numerical calculation by plant for each of the depreciation percentages.

3. Refer to the Kollen Testimony, page 14, line 21, through page 16, line 9, and Exhibit LK-6. Provide an ECR – Gross-up Revenue Factor & Composite Income Tax Calculation using the format and calculations contained in Exhibit LK-6, but include the Internal Revenue Code §199 manufacturing tax deduction for KU.



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Public Service Commission
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DATED **MAY 18 2016**

cc: Parties of Record

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